



FILED & JUDGMENT ENTERED Steven T. Salata
November 6 2020
Clerk, U.S. Bankruptcy Court Western District of North Carolina


J. Craig Whitley
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

IN RE: _____) Bankruptcy Case No. 20-30706
PERFECT FIT INDUSTRIES, LLC, _____) Chapter 7
Debtor. _____)
_____)

ORDER FOR CONTEMPT OF COURT AGAINST SV LOGISTICS

THIS MATTER came on for compliance hearing on October 26, 2020 on the Trustee's Motion for Contempt of Court Against SV Logistics and Request for Sanctions. John W. Taylor, Attorney, appeared on behalf of the Trustee. No other parties appeared. Based on the record, including the proffer of evidence in the declaration of Michael Brooks, the Court finds as follows:

1. The Movant is the duly appointed and acting Trustee in the above captioned Chapter 7 bankruptcy case, which was filed on July 24, 2020. The Trustee brings the Motion pursuant to Section 105 of the Bankruptcy Code, Bankruptcy Rule 9014 and the Court's inherent authority to enforce its own orders.

2. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334(b). The Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (M), (N) and (O).

3. On September 3, 2020, the Court entered its Order Granting Trustee's Motion for Authority to Sell Inventory, Trademarks and Certain Personal Property Free and Clear of Liens, Claims, Encumbrances and Other Interests Pursuant to 11 U.S.C. § 363, Docket No. 47 ("Order").

4. On September 4, 2020, the Trustee served the Order on SV Logistics Trans Corp. d/b/a

SV Logistics (“SV Logistics”) by both email at 2:51 p.m. to its managing agent, Rene Salazar, at rene@svlogisticscorp.com by Federal Express overnight delivery.

5. Mr. Salazar received Trustee’s email with the Order attached. SV Logistics received the Order by FedEx on September 5, 2020, at 11:01 a.m.

6. Decretal paragraph 5 of the Order states, “Upon notice by the Trustee that the sale has closed, Regal West and SV Logistics shall turnover Part One of the Personal Property to Royal Heritage and Part Two of the Personal Property to R&M Group and such turnover of the inventory be conducted as expeditiously as possible to minimize any additional storage fees to the Bankruptcy Estate associated with Part Two of the Personal Property.”

7. On September 4, 2020, at 6:08 p.m. the Trustee notified SV Logistics by email that the sale has closed, that its lien rights transferred to the sale proceeds and that it was required to release the inventory.

8. SV Logistics received the Trustee’s email notice that the sale had closed.

9. On September 8, 2020, R&M Group, LLC, requested pick up instructions from SV Logistics to pick up the inventory it had purchased from the bankruptcy estate.

10. SV Logistics failed or refused to turn over the inventory to R&M Group, LLC.

11. On September 9, 2020, the Trustee spoke with Mr. Salazar regarding the Order and the turnover of the inventory. Mr. Salazar confirmed to the Trustee that he had received the Trustee’s emails and that he had received the Order. Mr. Salazar told the Trustee that he would turn over the inventory to R&M Group, LLC.

12. On September 11, 2020, the Trustee was informed by R&M Group, LLC that SV Logistics is continuing to refuse to turn over the inventory.

13. On September 11, 2020, the Trustee filed and properly served his Motion for Contempt of Court Against SV Logistics and Request for Sanctions and Notice of Hearing.

14. On September 28, 2020, after hearing the Trustee’s Motion, the Court entered an Order

for Contempt against SV Logistics.

15. SV Logistics has now substantially complied with the Court's prior Orders, however it should still be sanctioned in the total amount of \$1,000.00 for its non-compliance as compensation to the bankruptcy estate.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that

1. SV Logistics Trans Corp. d/b/a SV Logistics is sanctioned the total sum of \$1,000.00 for its prior failure to comply with this Court's Orders and such amount shall be paid to the Trustee for the benefit of the bankruptcy estate.

This Order has been signed electronically. The judge's signature and court's seal appear at the top of the Order.

United States Bankruptcy Court